

§ 503.37

10 CFR Ch. II (1–1–98 Edition)

**§ 503.37 Cogeneration.**

The following table may be used to determine eligibility for a permanent exemption based on oil and natural gas savings.

AVERAGE ANNUAL UTILIZATION OF OIL AND NATURAL GAS FOR ELECTRICITY GENERATION BY STATE

[BTU's per KWHR sold]	
State name	Oil/gas savings Btu/kWh
Alabama .....	33
Arizona .....	802
Arkansas .....	1,363
California .....	3,502
Colorado .....	289
Connecticut .....	3,924
Delaware .....	3,478
Washington, DC. ....	895
Florida .....	3,177
Georgia .....	45
Idaho .....	0
Illinois .....	250
Indiana .....	53
Iowa .....	147
Kansas .....	686
Kentucky .....	34
Louisiana .....	4,189
Maine .....	2,560
Maryland .....	895
Massachusetts .....	5,250
Michigan .....	256
Minnesota .....	151
Mississippi .....	1,519
Missouri .....	57
Montana .....	60
Nebraska .....	139
Nevada .....	761
New Hampshire .....	2,695
New Jersey .....	1,894
New Mexico .....	1,528
New York .....	4,219
North Carolina .....	49
North Dakota .....	47
Ohio .....	36
Oklahoma .....	5,180
Oregon .....	0
Pennsylvania .....	771
Rhode Island .....	1,800
South Carolina .....	24
South Dakota .....	36
Tennessee .....	20
Texas .....	4,899
Utah .....	107
Vermont .....	105
Virginia .....	460
Washington .....	3
West Virginia .....	126
Wisconsin .....	72
Wyoming .....	75

Data are based upon 1987 oil, natural gas and electricity statistics published by DOE's Energy Information Administration.

EXAMPLE: The proposed cogeneration project is to be located in Massachusetts and

is to use distillate oil. It will have a capacity of 50 MW, an average annual heat rate of 7600 BTU/KWHR, and be operated at a capacity factor of 90%. The annual fuel consumption is therefore calculated to be  $2,996 \times 10^9$  Btu/yr.  $(50,000 \text{ KW} \times 7600 \text{ BTU/KWHR} \times .9 \times 8760 \text{ HR/YR})$  The oil and gas backed off the grid would be calculated to be  $.2070 \times 10^9$  BTU/YR.  $(50,000 \text{ KW} \times 5250 \text{ BTU/KWHR} \times .9 \times 8760 \text{ HR/YR})$  since the proposed unit would consume more oil that would be "backed off" the grid, the unit would not be eligible for a permanent exemption based on savings of oil and natural gas.

[54 FR 52895, Dec. 22, 1989]

**§ 503.38 Permanent exemption for certain fuel mixtures containing natural gas or petroleum.**

(a) *Eligibility.* Section 212(d) of the Act provides for a permanent exemption for certain fuel mixtures. To qualify a petitioner must certify that:

(1) The petitioner proposes to use a mixture of natural gas or petroleum and an alternate fuel as a primary energy source;

(2) The amount of petroleum or natural gas proposed to be used in the mixture will not exceed the minimum percentage of the total annual Btu heat input of the primary energy sources needed to maintain operational reliability of the unit consistent with maintaining a reasonable level of fuel efficiency; and

(3) No alternate power supply exists, as required under § 503.8 of these regulations.

(b) *Evidence required in support of a petition.* The petition must include the following evidence in order to make the demonstration required by this section:

(1) Duly executed certifications required under paragraph (a) of this section;

(2) Exhibits containing the basis for the certifications required under paragraph (a) of this section (including those factual and analytical materials deemed by the petitioner to be sufficient to support the granting of this exemption);

(3) A description of the fuel mixture, including component fuels and the percentage of each such fuel to be used; and

(4) Environmental impact analysis as required under § 503.13 of these regulations.

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(c) *Solar mixtures.* OFE will grant a permanent mixtures exemption for the use of a mixture of solar energy (including wind, tide, and other intermittent sources) and petroleum or natural gas, where:

(1) Solar energy will account for at least 20 percent of the total annual Btu heat input, of the primary energy sources of the unit; and

(2) Petitioner meets the eligibility and evidentiary requirements of paragraphs (a) and (c) of this section.

[46 FR 59903, Dec. 7, 1981, as amended at 54 FR 52896, Dec. 22, 1989]

### §§ 503.39—503.44 [Reserved]

## PART 504—EXISTING POWERPLANTS

504.2 Purpose and scope.

504.3—504.4 [Reserved]

504.5 Prohibitions by order (certifying powerplants under section 301 of FUA, as amended).

504.6 Prohibitions by order (case-by-case).

504.7 Prohibition against excessive use of petroleum or natural gas in mixtures—electing powerplants.

504.8 Prohibitions against excessive use of petroleum or natural gas in mixtures—certifying powerplants.

504.9 Environmental requirements for certifying powerplants.

APPENDIX I TO PART 504—PROCEDURES FOR THE COMPUTATION OF THE REAL COST OF CAPITAL

APPENDIX II TO PART 504—FUEL PRICE COMPUTATION

AUTHORITY: Department of Energy Organization Act, Pub. L. 95-91, 91 Stat. 565 (42 U.S.C. § 7101 *et seq.*); Powerplant and Industrial Fuel Use Act of 1978, Pub. L. 95-620, 92 Stat. 3289 (42 U.S.C. 8301 *et seq.*); Energy Security Act, Pub. L. 96-294, 94 Stat. 611 (42 U.S.C. 8701 *et seq.*); E.O. 1209, 42 FR 46267, Sept. 15, 1977.

SOURCE: 45 FR 53692, Aug. 12, 1980, unless otherwise noted.

(Approved by the Office of Management and Budget under control number 1903-0075. See 46 FR 63209, Dec. 31, 1981.)

EDITORIAL NOTE: Nomenclature changes to this part appear at 54 FR 52896, Dec. 22, 1989.

### § 504.2 Purpose and scope.

(a) Sections 504.5, 504.6, and 504.8, set forth the prohibitions that OFP, pursuant to section 301 of the Act, as amended, may impose upon existing power-

plants after a review of the certification and prohibition order compliance schedule submitted by the owner or operator of a powerplant. Sections 504.5 and 504.8 are explanatory sections, and § 504.6 provides the informational requirements necessary to support the certification.

(b) Sections 504.6 and 504.7, set forth the prohibitions that OFP may impose upon certain electing powerplants, pursuant to former section 301 (b) and (c) of FUA, where OFP can make the findings as to the unit's technical capability and financial feasibility to use coal or another alternate fuel as a primary energy source. The prohibitions may be made to apply to electing powerplants unless an exemption is granted by OFP under the provisions of the Final Rule for Existing Facilities (10 CFR parts 500, 501 and 504) published at 45 FR 53682, Aug. 12, 1980 and 46 FR 59872, Dec. 7, 1981. Any person who owns, controls, rents or leases an existing electing powerplant may be subject to the prohibitions imposed by and the sanctions provided for in the Act or these regulations, if OFP can make the findings required by former section 301 (b) and (c) of FUA.

(Department of Energy Organization Act, Pub. L. 95-91, 91 Stat. 565 (42 U.S.C. 7101 *et seq.*); Powerplant and Industrial Fuel Use Act of 1978, Pub. L. 95-620, 92 Stat. 3269 (42 U.S.C. 8301 *et seq.*); Omnibus Budget Reconciliation Act of 1981, Pub. L. 97-35; E.O. 12009, 42 FR 46267, Sept. 15, 1977)

[47 FR 50849, Nov. 10, 1982]

### §§ 504.3—504.4 [Reserved]

### § 504.5 Prohibitions by order (certifying powerplants under section 301 of FUA, as amended).

(a) In the case of existing powerplants, OFP may prohibit, in accordance with section 301 of the Act, as amended, the use of petroleum or natural gas as a primary energy source where the owner or operator of the powerplant presents a complete certification concurred in by OFP. The certification, which may be presented at any time, pertains to the unit's technical capability and financial feasibility to use coal or another alternate fuel as a primary energy source in the unit. The informational requirements